

AMENDED IN SENATE MARCH 25, 2015

SENATE BILL

No. 15

Introduced by Senators Block, De León, and Liu
(Coauthors: Senators Allen, Beall, Hancock, Hill, Hueso, Lara,
Leno, Mitchell, Wieckowski, and Wolk)
(Coauthor: Assembly Member Medina)

December 1, 2014

An act to amend Sections 69432 and 69437 of, and to add Article 23 24 (commencing with Section ~~70030~~ 70045) to Chapter 2 of Part 42 of Division 5 of Title 3 of, the Education Code, relating to postsecondary education.

LEGISLATIVE COUNSEL'S DIGEST

SB 15, as amended, Block. Postsecondary education: financial-aid-aid: *Graduation Incentive Grant program.*

~~The~~

(1) *The* Cal Grant Program establishes the Cal Grant A and B Entitlement awards, the California Community College Transfer Entitlement awards, the Competitive Cal Grant A and B awards, the Cal Grant C awards, and the Cal Grant T awards under the administration of the Student Aid Commission, and establishes eligibility requirements for awards under these programs for participating students attending qualifying institutions. Existing law establishes the total number of Competitive Cal Grant A and B awards granted annually at 22,500 and the maximum tuition award amount for each Cal Grant A and B award for new students attending private nonprofit postsecondary educational institution at \$9,084 for the 2014–15 award year and \$8,056 for the 2015–16 award year and each award year thereafter.

This bill would increase the total number of Competitive Cal Grant A and B awards granted annually to 30,000 and would increase the maximum tuition award amount for Cal Grant A and B for students at private nonprofit postsecondary ~~schools~~ *educational institutions* to \$9,084 for the 2015–16 award year and each award year thereafter.

(2) *Existing law establishes the California State University, under the administration of the Trustees of the California State University, and the University of California, under the administration of the Regents of the University of California, as 2 of the segments of public postsecondary education in this state.*

This bill would establish, commencing with the 2015–16 academic year, the ~~Competitive Graduation Incentive Grant Award~~ program to provide *eligible matriculating undergraduate students of California State University with financial need attending a campus of the California State University with additional financial aid over a 3-year period, for up to 3 college years, as specified. The bill would specify the eligibility criteria and the award amounts of the Graduation Incentive Grant program. The bill would require the California State University to make an annual report, containing specified data about the program, to the Legislature. The program would only be operative in a fiscal year if the Trustees of the California State University determine that sufficient funding has been provided for purposes of the program for that fiscal year in the annual Budget Act or another statute.*

The bill would express the intent of the Legislature to appropriate funds, for the 2015–16 fiscal year, to the University of California to eliminate a specified tuition increase and to appropriate funds to both the University of California and the California State University to provide additional course offerings and support services for students.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. ~~(a)~~ The Legislature finds and declares all of the
- 2 following:
- 3 ~~(1) According to the~~
- 4 *(a) The Public Policy Institute of California, California reports*
- 5 *that, in 2025, 41 percent of jobs will require at least a bachelor's*
- 6 *degree. However, if current trends ~~persists,~~ *persist,* only 35 percent*
- 7 *of working-age California adults will have a bachelor's degree by*

1 2025. Without more students entering and completing a college
2 degree, California will not meet workforce demands.

3 ~~(2) According to the~~

4 *(b) State General Fund support for the California State*
5 *University and the University of California has dropped from 11*
6 *percent to 8 percent of the total state budget.*

7 ~~(c) The Public Policy Institute of California, California reports~~
8 *that in-state full tuition at the University of California and the*
9 *California State University has risen more dramatically than at*
10 *other public universities in other states over the past decade. From*
11 *2004 to 2013, 2013, the average tuition at the University of*
12 *California and the California State University has more than*
13 *doubled. California must make college more affordable and*
14 *accessible for all of its students.*

15 ~~(3) According to~~

16 *(d) A report by the Campaign for College Opportunity,*
17 *Opportunity confirms that an individual between 25 and 64 years*
18 *of age who completes at least a bachelor of arts degree can*
19 *anticipate earning an additional one million three hundred thousand*
20 *dollars (\$1,300,000) in wages and salary.*

21 ~~(4)~~

22 *(e) According to the State Higher Education Executive Officers,*
23 *enrolling in 15 credit hours per term is the number one predictor*
24 *of student success.*

25 ~~(5) According to the Campaign for College Opportunity, if a~~
26 ~~California State University student enrolls in less than 15 credits~~
27 ~~per semester or takes time off, he or she will take longer than the~~
28 ~~expected four years to earn a bachelor's degree that requires 120~~
29 ~~credits.~~

30 ~~(6) According to the Campaign for College Opportunity, the~~
31 ~~increased cost of tuition to attend a California State University~~
32 ~~may have caused more students to work, or work more hours, to~~
33 ~~pay for school. Research~~

34 *(f) College students who complete 30 semester units or the*
35 *equivalent per year can earn a 120-unit degree in four years.*

36 *(g) Research has demonstrated that working behavior is a*
37 *significant contributor to delayed time to earning a degree.*
38 *Essentially, students are a student is forced to choose between*
39 *either working to earn money or taking additional courses to*
40 *progress in earning their a degree.*

1 ~~(b) It is the intent of the Legislature, in the 2015–16 fiscal year,~~
2 ~~to appropriate funds to the Regents of the University of California~~
3 ~~for the following purposes:~~

4 ~~(1) Eliminate the five-percent tuition increase adopted by the~~
5 ~~Regents of the University of California in November 2014.~~

6 ~~(2) Provide additional course offerings for students to complete~~
7 ~~a bachelor's degree in four years or less.~~

8 ~~(3) Provide support services to students to aid them in~~
9 ~~completing a bachelor's degree in four years of less.~~

10 SEC. 2. Section 69432 of the Education Code is amended to
11 read:

12 69432. (a) Cal Grant Program awards shall be known as “Cal
13 Grant A Entitlement Awards,” “Cal Grant B Entitlement Awards,”
14 “California Community College Transfer Entitlement Awards,”
15 “Competitive Cal Grant A and B Awards,” “Cal Grant C Awards,”
16 and “Cal Grant T Awards.”

17 (b) Maximum award amounts for students at independent
18 institutions and for Cal Grant C and T awards shall be identified
19 in the annual Budget Act. Maximum award amounts for Cal Grant
20 A and B awards for students attending public institutions shall be
21 referenced in the annual Budget Act.

22 (c) (1) Notwithstanding subdivision (b), and subdivision (c) of
23 Section 66021.2, commencing with the 2013–14 award year, the
24 maximum tuition award amounts for Cal Grant A and B awards
25 for students attending private for-profit and nonprofit
26 postsecondary educational institutions shall be as follows:

27 (A) Four thousand dollars (\$4,000) for new recipients attending
28 private for-profit postsecondary educational institutions.

29 (B) Nine thousand eighty-four dollars (\$9,084) for new
30 recipients attending private nonprofit postsecondary educational
31 institutions.

32 (2) The renewal award amount for a student whose initial award
33 is subject to a maximum award amount specified in this subdivision
34 shall be calculated pursuant to paragraph (2) of subdivision (a) of
35 Section 69433.

36 (3) Notwithstanding subparagraph (A) of paragraph (1), new
37 recipients attending private for-profit postsecondary educational
38 institutions that are accredited by the Western Association of
39 Schools and Colleges as of July 1, 2012, shall have the same

1 maximum tuition award amounts as are set forth in subparagraph
2 (B) of paragraph (1).

3 SEC. 3. Section 69437 of the Education Code is amended to
4 read:

5 69437. (a) Commencing with the 2001–02 academic year, and
6 each academic year thereafter, there shall be established the
7 Competitive Cal Grant A and B award program for students who
8 did not receive a Cal Grant A or B entitlement award pursuant to
9 Article 2 (commencing with Section 69434), Article 3
10 (commencing with Section 69435), or Article 4 (commencing with
11 Section 69436). Awards made under this section are not
12 entitlements. The submission of an application by a student under
13 this section shall not entitle that student to an award. The selection
14 of students under this article shall be determined pursuant to
15 subdivision (c) and other relevant criteria established by the
16 commission.

17 (b) A total of 30,000 Cal Grant A and B awards shall be granted
18 annually under this article on a competitive basis for applicants
19 who meet the general eligibility criteria established in Article 1
20 (commencing with Section 69430) and the priorities established
21 by the commission pursuant to subdivision (c).

22 (1) Fifty percent of the awards referenced in this subdivision
23 are available to all students, including California community
24 college students, who meet the financial need and academic
25 requirements established pursuant to this article. A student
26 enrolling at a qualifying baccalaureate degree granting institution
27 shall apply by the March 2 deadline. A California community
28 college student is eligible to apply at the March 2 or the September
29 2 deadline.

30 (2) Fifty percent of the awards referenced in this subdivision
31 are reserved for students who will be enrolled at a California
32 community college. The commission shall establish a second
33 application deadline of September 2 for community college
34 students to apply for these awards effective with the fall term or
35 semester of the 2001–02 academic year.

36 (3) If any awards are not distributed pursuant to paragraphs (1)
37 and (2) upon initial allocation of the awards under this article, the
38 commission shall make awards to as many eligible students as
39 possible, beginning with the students with the lowest expected
40 family contribution and highest academic merit, consistent with

1 the criteria adopted by the commission pursuant to subdivision
 2 (c), as practicable without exceeding an annual cumulative total
 3 of 30,000 awards.

4 (c) (1) On or before February 1, 2001, acting pursuant to a
 5 public hearing process that is consistent with the Bagley-Keene
 6 Open Meeting Act (Article 9 (commencing with Section 11120)
 7 of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government
 8 Code), the commission shall establish selection criteria for Cal
 9 Grant A and B awards under the competitive program that give
 10 special consideration to disadvantaged students, taking into
 11 consideration those financial, educational, cultural, language,
 12 home, community, environmental, and other conditions that hamper
 13 a student's access to, and ability to persist in, postsecondary
 14 education programs.

15 (2) Additional consideration shall be given to each of the
 16 following:

17 (A) Students who graduated from high school or its equivalent
 18 prior to the 2000–01 academic year. This subparagraph shall not
 19 be applicable after the 2004–05 academic year.

20 (B) Students pursuing Cal Grant B awards who reestablish their
 21 grade point averages.

22 (C) Students who did not receive awards pursuant to Article 2
 23 (commencing with Section 69434), Article 3 (commencing with
 24 Section 69435), or Article 4 (commencing with Section 69436).

25 (d) All other students who meet the eligibility requirements
 26 pursuant to Article 1 (commencing with Section 69430) are eligible
 27 to compete for an award pursuant to this article.

28 SEC. 4. ~~Article 23 24~~ (commencing with Section ~~70030~~)
 29 ~~70045~~) is added to Chapter 2 of Part 42 of Division 5 of Title 3 of
 30 the Education Code, to read:

31
 32 ~~Article 23:24. Competitive Incentive Grant Award Graduation~~
 33 ~~Incentive Grant Program~~

34
 35 ~~70030. For purposes of this article, "student with financial~~
 36 ~~need" means a student attending a campus of the California State~~
 37 ~~University who has demonstrated a need for a state, federal, or~~
 38 ~~institutional financial aid to pay for tuition.~~

39 ~~70045. For purposes of this article, the following shall apply:~~

1 (a) “Academic discipline” is determined by grouping academic
2 programs by areas of study for California State University
3 systemwide reporting.

4 (b) “Academic year” means the total of two consecutive
5 semesters or three quarters, commencing with the opening of the
6 fall term. Each semester or quarter is approximately the same
7 length.

8 (c) “Associate degree for transfer” means an associate degree
9 established according to the criteria established in Section 66746.

10 (d) “Award year” means one college year, or the equivalent,
11 of attendance at a qualifying institution.

12 (e) A “college year” is equivalent to the 12 consecutive months
13 of an academic year and the following summer.

14 (f) “Cost of attendance” means the student’s tuition and fees,
15 books and supplies, room, board, transportation expenses, and
16 any other student expenses used to calculate a student’s financial
17 need for purposes of federal Title IV student aid programs.

18 (g) “Expected family contribution” means a student’s expected
19 family contribution calculated according to the federal
20 methodology pursuant to subdivision (a) of Section 69506 (as
21 established by Title IV of the federal Higher Education Act of 1965,
22 as amended (20 U.S.C. Sec. 1070 et seq.)).

23 (h) “Financial need” means a student’s financial need
24 calculated pursuant to the federal financial need methodology (as
25 established by Title IV of the federal Higher Education Act of 1965,
26 as amended (20 U.S.C. Sec. 1070 et seq.)).

27 (i) “Satisfactory academic progress” means satisfaction of those
28 criteria required by applicable federal standards published in Title
29 34 of the Code of Federal Regulations. A participating institution
30 may adopt regulations defining “satisfactory academic progress”
31 in a manner that is consistent with those federal standards.

32 ~~70031.~~

33 70046. (a) Commencing with the 2015–16 academic year,
34 there shall be established the ~~Competitive Graduation Incentive~~
35 ~~Grant Award~~ program for California State University matriculated
36 undergraduate students with financial need. The grant shall be
37 awarded beginning in the 2015–16 academic year, and for each
38 academic year thereafter. The purpose of the grant award is to
39 provide those students with additional financial aid to offset their

1 total cost of education, including the costs of housing, textbooks,
2 and transportation.

3 *(b) A matriculated undergraduate student attending the*
4 *California State University may receive a grant award under the*
5 *Graduation Incentive Grant program if the student satisfies all of*
6 *the following requirements:*

7 *(1) The student is a California resident or is exempt from paying*
8 *nonresident tuition under Section 68130.5.*

9 *(2) The student is determined by the participating institution to*
10 *have an expected family contribution of not more than twelve*
11 *thousand dollars (\$12,000) after filing a Free Application for*
12 *Federal Student Aid or California Dream Application in a timely*
13 *manner.*

14 *(3) The student maintains satisfactory academic progress at the*
15 *participating institution, as determined by the institution.*

16 *(4) The student is not incarcerated.*

17 *(5) The student is not in default on any student loan and has*
18 *not failed to repay a federal or state student grant where required*
19 *to do so.*

20 *(6) The student has enrolled in at least 12 semester units or the*
21 *equivalent in each term for which the grant is received.*

22 *(7) The student has a declared major.*

23 ~~(b)~~

24 *(c) The ~~Competitive Graduation Incentive Grant Award~~ award*
25 *shall be ~~allocated to a student~~ awarded annually to an eligible*
26 *matriculated undergraduate California State University student*
27 *with financial need ~~over a three-year period~~ for up to three college*
28 *years, as follows:*

29 *(1) One thousand dollars (\$1,000) if the student completes 30*
30 *semester units or 45 quarter units by the end of his or her first*
31 *academic college year.*

32 *(2) One thousand five hundred dollars (\$1,500) if the student*
33 *completes 60 semester or 90 quarter units by the end of his or her*
34 *second academic college year.*

35 *(3) Two thousand dollars (\$2,000) if the student completes 90*
36 *semester units or 135 quarter units by the end of his or her third*
37 *academic college year.*

38 *(d) A student who transfers to the California State University*
39 *with an associate degree for transfer shall be eligible to receive*
40 *a Graduation Incentive Grant award in the first academic year of*

1 enrollment at the university. A student who transfers to the
2 California State University without an associate degree for transfer
3 shall be eligible to receive a Graduation Incentive Grant upon
4 completion of his or her first college year at the university and the
5 requisite number of units, as indicated in subdivision (c). For
6 purposes of the grant award, the college year of a transfer student
7 shall be counted from that student's initial matriculation at a
8 postsecondary educational institution.

9 (e) (1) To the extent practicable, a Graduation Incentive Grant
10 award shall be awarded at the same time as a recipient's overall
11 financial aid package.

12 (2) The Graduation Incentive Grant shall be considered a
13 supplemental grant, and shall not supplant any other grant or
14 scholarship aid including, but not necessarily limited to, federal
15 grants, Cal Grant awards, institutional grants, merit-based
16 scholarships, and athletic scholarships.

17 (3) A Graduation Incentive Grant award, or a portion thereof,
18 shall not cause a student's total grant or scholarship aid, including
19 a grant received pursuant to this article, to exceed the total cost
20 of attendance for that student.

21 (4) A Graduation Incentive Grant award shall be awarded to
22 an eligible student on a year-to-year basis, contingent on the
23 provision of adequate state funding and the maintenance of that
24 student's eligibility. A student's receipt of a grant in one academic
25 year provides no assurance that the student will receive a grant
26 in a subsequent academic year.

27 (f) (1) Each campus of the California State University shall
28 administer the Graduation Incentive Grant program in accordance
29 with the criteria established in this section.

30 (2) The Trustees of the California State University may adopt
31 regulations to administer the Graduation Incentive Grant program
32 established pursuant to this article.

33 70047. (a) On or before April 1, 2017, and on or before April
34 1 of each year thereafter, the California State University shall
35 report all of the following to the Legislature:

36 (1) The number of students who successfully completed 30
37 semester units or 45 quarter units, 60 semester units or 90 quarter
38 units, 90 semester or 135 quarter units, and 120 semester or 180
39 quarter units during the immediately preceding college year.

1 (2) *The number of first-time freshmen who successfully*
2 *completed 30 semester or 45 quarter units during the immediately*
3 *preceding college year, and the number of first-time freshmen who*
4 *enroll in the subsequent college year with fewer than 30 semester*
5 *or 45 quarter units.*

6 (3) *The number of transfer students who successfully qualified*
7 *for the Graduation Incentive Grant award, disaggregated by*
8 *associate degree for transfer recipients and students who*
9 *transferred without holding an associate degree for transfer.*

10 (4) *The number of eligible students who successfully met the*
11 *unit completion requirements of the Graduation Incentive Grant*
12 *program.*

13 (5) *The average grade point average of Graduation Incentive*
14 *Grant award recipients, reported by college year.*

15 (6) *Information reported pursuant to this section shall be*
16 *disaggregated by academic discipline, race, ethnicity, gender, and*
17 *socioeconomic status.*

18 (b) *Reports made pursuant to this section shall comply with*
19 *Section 9795 of the Government Code.*

20 70048. *This article shall not be operative in a fiscal year unless*
21 *the trustees determine that sufficient funding has been provided*
22 *for purposes of this article for that fiscal year in the annual Budget*
23 *Act or another statute. Any funding allocated for the purpose of*
24 *awarding Graduation Incentive Grant awards under this article*
25 *shall be considered supplemental to the operating budget of the*
26 *California State University.*

27 SEC. 5. *It is the intent of the Legislature to do both of the*
28 *following to support higher education in California for the 2015–16*
29 *fiscal year:*

30 (a) *Appropriate funds to the Regents of the University of*
31 *California for the 2015–16 fiscal year to eliminate the 5 percent*
32 *tuition increase adopted by the regents in November 2014.*

33 (b) *Appropriate funding to the University of California and the*
34 *California State University to do both of the following:*

35 (1) *Provide additional course offerings for students to complete*
36 *a bachelor's degree in four years or less.*

37 (2) *Provide support services to students to aid them in*
38 *completing a bachelor's degree in four years or less.*

1
2 **CORRECTIONS:**
3 **Text—Page 1.**
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